

Project Phoenix – Next Generation Data Center

LIMITED SOURCE JUSTIFICATION

Agency/Contacting Activity:

US Department of Education/Federal Student Aid (FSA)

Description of Action:

Federal Student Aid has a need for R3, Inc. to provide advisory and assistance services in further support of acquisition activities for the re-compete of one of its mission-critical contracts. This logical follow-on under FAR Subpart 8.4 follows a competitively awarded task order award to R3 that assisted Federal Student Aid with developing an acquisition strategy. This effort is a continuation of that same effort, leading to the eventual transition of performance of data center hosting to a successful offeror.

Given the successful completion of Phase 1, the project is entering Phase 2, where R3 will provide advisory and assistance services to the Technology Office in order to produce the requirements and supporting details necessary to support and complete the Acquisition Process. Finally, an optional Phase 3 will require R3 to assist in the oversight and transitioning to a new service provider and technical solution, and oversee the incumbent decommissioning process, verifying systems shutdown and transitioning of all data.

Authority and Supporting Rationale:

R3, Inc. (SDVOSB, GSA Schedule holder) currently supports Federal Student Aid in preparing for the re-compete of its data center operations. This logical follow-on will build on lessons learned by R3 and expertise developed during the development of the acquisition strategy. A different vendor would have to invest considerable time to gain sufficient knowledge in order to perform any follow-on work, which would cost time and money that is not expected to be recovered through competition. In addition, the additional time to bring a new vendor up-to-speed might introduce performance risk when schedule slippages result in delays that impact the release of the resulting solicitation. Continued R3 support is essential going forward in order to complete all of the requirements and supporting documents leading up to the release of the solicitation.

The requirement described in the Statement of Work will be fulfilled according to FAR 8.405-6 via a task order awarded to R3 as a logical follow-on to Phase 1 where an acquisition strategy was delivered. In accordance with FAR Subpart 8.405-6(a)(1)(i)(C), the task order will be issued in the interest of economy and efficiency, as a logical follow-on to the original Federal Supply Schedule task order ED-FSA014-O-0021 awarded to R3. ED-FSA-14-O-0021 was awarded in accordance with the applicable Federal Supply Schedule ordering procedures and was not previously issued under sole-source or limited-sources procedures. Award to R3 represents the best value consistent with FAR Subpart 8.404(d).

Price Reasonableness:

The total price for Phase 2 is \$ [REDACTED] below the IGCE provided by Technology Office. Hourly rates and cumulative total cost were negotiated by the CO and are detailed below.

The total price for the Phase 2 (Acquisition Phase) is \$641,163 (see chart below).

DELIVERABLE	COST	
	R3	IGCE
1 Detailed Service Level Agreements	\$ [REDACTED]	\$ [REDACTED]
2 Vendor Evaluation Criteria	\$ [REDACTED]	\$ [REDACTED]
3 Consolidated Reporting Requirements	\$ [REDACTED]	\$ [REDACTED]
4 FSA and Hosting Vendor Meeting Requirements	\$ [REDACTED]	\$ [REDACTED]
5 Detailed RACI Document	\$ [REDACTED]	\$ [REDACTED]
6 Consolidated Dashboard Requirements	\$ [REDACTED]	\$ [REDACTED]
7 System Analysis, Integration, Middleware and Interfaces Review	\$ [REDACTED]	\$ [REDACTED]
8 License Management Document	\$ [REDACTED]	\$ [REDACTED]
Labor Total	\$ [REDACTED]	\$ [REDACTED]
Additional ODC for SME Travel	\$ [REDACTED]	\$ [REDACTED]
Total Cost	\$641,163	[REDACTED]

LABOR CATEGORY	RATE/HR	
	R3	IGCE
Senior Manager I	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor I	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor II	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor III	\$ [REDACTED]	\$ [REDACTED]
Manager I	\$ [REDACTED]	\$ [REDACTED]

The total price for Phase 3 is \$ [REDACTED] above the IGCE provided by Technology Office. For the work anticipated and the deliverables required, the price difference is reasonable. Hourly rates and cumulative total cost were negotiated by the CO and are detailed below. The total price for Phase 3 (Transition Phase) is \$1,679,669 (see chart below)

DELIVERABLE	COST	
	R3	IGCE
1 Transition Planning, Analysis and Support	\$ [REDACTED]	\$ [REDACTED]
2 Program Management and Oversight of Waves 1 & 2	\$ [REDACTED]	\$ [REDACTED]
3 Program Management and Oversight of Waves 3 & 4	\$ [REDACTED]	\$ [REDACTED]
4 Program Management and Oversight of Waves 5 & 6	\$ [REDACTED]	\$ [REDACTED]
5 Post Deployment Support	\$ [REDACTED]	\$ [REDACTED]
Labor Total	\$ [REDACTED]	\$ [REDACTED]
Additional ODC for SME Travel	\$ [REDACTED]	\$ [REDACTED]
Total Cost	\$1,679,669	[REDACTED]

LABOR CATEGORY	RATE/HR	
	R3	IGCE
Senior Manager I	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor I	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor I	\$ [REDACTED]	\$ [REDACTED]
Senior Business Advisor III	\$ [REDACTED]	\$ [REDACTED]
Manager I	\$ [REDACTED]	\$ [REDACTED]

Market Research:

Open market research was not conducted since Phases 2 and 3 will be awarded using a limited source task order due to a logical follow-on.

Other Facts:

R3 completed Phase 1, the Planning Phase, under contract number ED-FSA-14-O-0021, which is valid until March 27, 2015. R3's GSA Schedule is valid until April 2019 (GS-10F-136BA).

Other Interested Sources:

R3 is the only source considered as of the date of this justification.

Future Competition:

For the foreseeable future, FSA is satisfied with and intends to continue its use of R3's services until the end of Phase 3 and until the expiration of the TO and any related option periods.

Technical Certification:

All data which forms the basis for this justification is complete and accurate.


 Date _____

Certification:

This justification is accurate and complete to the best of my knowledge.


Julie DeFrain
Contracting Officer
Date 3/30/2015

Approval:


Denise Roberts
Advocate for Competition
Date 03/27/2015